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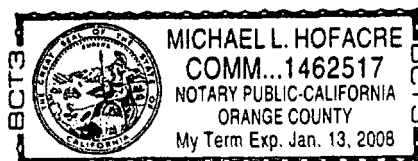
OATH OR AFFIRMATION

I, Robert Lechman, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GlobalVest Group, Inc., as of November 30, 2004, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

State of California
County of Orange
Subscribed and sworn (or affirmed) to before me this 30th day of November, 2004

Michael L. Hofacre
Notary Public

Robert Lechman
Signature
CEO
Title



This report** contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in ~~Financial Condition~~ Cash Flows
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

KEVIN G. BREARD, C.P.A.
AN ACCOUNTANCY CORPORATION

Independent Auditor's Report

Board of Directors
GlobalVest Group, Inc.

I have audited the accompanying statement of financial condition of GlobalVest Group, Inc. as of November 30, 2004, and the related statements of operations, changes in stockholders' equity, and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GlobalVest Group, Inc. as of November 30, 2004, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on Schedules I-III are presented for purposes of additional analysis and is not required as part of the basic financial statements, but as supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subject to the auditing procedures applied in the examination of the basic financial statements and, in my opinion, is fairly stated in all material respect in relation to the basic financial statements taken as a whole and in conformity with the rules of the Securities and Exchange Commission.



Kevin G. Breard
Certified Public Accountant

Northridge, California
January 12, 2005

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GlobalVest Group, Inc
Statements of Financial Condition
November 30, 2004

Assets

Cash	\$ 486,166
Receivable from brokers and dealers	24,897
Marketable securities, at market	13,156
Deposit held at clearing	100,000
Computer software net of \$7,600 accumulated amortization	<u>30,400</u>
Total assets	<u>\$ 654,619</u>

Liabilities & Stockholders' Equity

Liabilities

Accounts payable	\$ 13,000
Commission payable	358,435
Securities sold, not yet purchased	60,785
Payable to shareholder	29,416
Income taxes payable	<u>1,600</u>
Total liabilities	463,236

Stockholders' equity

Common stock, no par value, 1,500,000 shares authorized, 1,000 issued and outstanding	—
Additional paid-in capital	194,530
Accumulated deficit	<u>(3,147)</u>
Total stockholders' equity	<u>191,383</u>

Total liabilities & stockholders' equity	<u>\$ 654,619</u>
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The accompanying notes are an integral part of these financial statements.

GlobalVest Group, Inc
Statement of Operations
For the Year Ended November 30, 2004

Revenues

Commission income	\$ 907,365
Trading gains and losses	<u>(4,007)</u>

Total revenue	903,358
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Expenses

Commissions and brokerage fees	839,664
Occupancy and equipment rental	8,700
Other expenses	<u>56,035</u>

Total expenses	<u>904,399</u>
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Income (loss) before income tax provision	(1,041)
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Income tax provision	<u>800</u>
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Net income (loss)	<u><u>\$ (1,841)</u></u>
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The accompanying notes are an integral part of these financial statements.

GlobalVest Group, Inc
Statement of Changes in Stockholders' Equity
For the Year Ended November 30, 2004

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
Balance, at November 30, 2003	\$ —	\$ 31,130	\$ (1,306)	\$ 29,824
Contribution of capital	—	163,400	—	163,400
Net income (loss)	<u>—</u>	<u>—</u>	<u>(1,841)</u>	<u>(1,841)</u>
Balance, at November 30, 2004	<u><u>\$ —</u></u>	<u><u>\$ 194,530</u></u>	<u><u>\$ (3,147)</u></u>	<u><u>\$ 191,383</u></u>

The accompanying notes are an integral part of these financial statements.

GlobalVest Group, Inc
Statement of Cash Flows
For the Year Ended November 30, 2004

Cash flow from operating activities

Net income (loss)		\$ (1,841)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Amortization	\$ 7,600	
(Increase) decrease in:		
Receivable from brokers and dealers	(24,897)	
Marketable securities, at market	(13,156)	
Deposits held at clearing	(75,000)	
Other assets	935	
(Decrease) increase in:		
Accounts payable	13,000	
Commissions payable	358,435	
Income taxes payable	400	
Securities sold, not yet purchased	<u>60,785</u>	
Total adjustments		<u>328,102</u>
Net cash provided by (used in) operating activities		<u>326,261</u>

Cash flows from investing activities

Purchase of software	<u>(38,000)</u>	
Net cash provided by (used in) investing activities		(38,000)

Cash flows from financing activities

Proceeds from issuance of additional paid-in-capital	163,400	
Proceeds from loans from shareholder	<u>29,416</u>	
Net cash provided by (used in) financing activities		<u>192,816</u>

Net increase (decrease) in cash 481,077

Cash at the beginning of the year 5,089

Cash at the end of the year \$ 486,166

Supplemental disclosure of cash flow information

Cash paid during the period ended November 30, 2004		
Income taxes	\$ 400	
Interest	\$ —	

The accompanying notes are an integral part of these financial statements.

GlobalVest Group, Inc
Notes to Financial Statements
November 30, 2004

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

GlobalVest Group, Inc (the "Company") was incorporated on June 10, 2002, in the State of California under the name GLBVest, Inc. On October 15, 2002 the Company changed its name to GLB Trading, Inc., and on March 10, 2004 the Company changed its name to GlobalVest Group, Inc. The Company is in the business of securities brokerage and investment counseling. The Company is a member of the National Association of Securities Dealers ("NASD") and Securities Investors Protection Corporation ("SIPC").

The Company conducts business on a fully disclosed basis whereby the execution and clearance of trades are handled by another Broker/Dealer. The Company does not hold customer funds and/or securities.

Summary of Significant Accounting Principles

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Securities transactions are recorded on a trade date basis for both the Company's customers and the Company. Marketable securities owned by the Company are accounted for at market value, with market value based on current published market prices. The resulting difference between cost and market (or fair value) is included in income.

For the year ended November 30, 2004, rent expense was \$8,700

Note 2: SECURITIES OWNED AND SOLD, NOT YET PURCHASED

Marketable securities owned and sold, not yet purchased, consist of trading securities and options at quoted market values, as follows:

	Owned	Sold Not Yet Purchased
Corporate stocks	\$ 13,156	\$ 52,470
Options	-	8,315
Total	<u>\$ 13,156</u>	<u>\$ 60,785</u>

GlobalVest Group, Inc
Notes to Financial Statements
November 30, 2004

Note 3: DEPOSITS WITH CLEARING ORGANIZATION

The Company has deposited \$100,000 with their Clearing firm to serve as security for its transactions with them.

Note 4: COMPUTER SOFTWARE, NET

The computer software is at cost. The software is being amortized over its estimated useful life of five (5) years. Amortization expense for the year ended November 30, 2004 was \$7,600.

Note 5: INCOME TAXES

The tax provision consists of the minimum \$800 California Franchise Tax. No Federal tax provision has been recorded, as the Company incurred a loss for the year ended November 30, 2004. The Company has elected to carry forward the loss to offset future taxable income.

The Company has certain deferred tax assets related to its net operating loss carryforwards. There is no assurance that future taxable income will be sufficient to realize the net asset or utilize the tax carryforward. The Company has determined that it is more likely then not that the deferred tax asset may not be realizable. Therefore, a 100% valuation allowance has been recorded.

Note 6: RELATED PARTY TRANSACTIONS

The Company is currently operating out of the home of its majority shareholder. The Company has a written agreement to pay \$900 per month for this office space.

The payable to shareholder of \$29,416 is to this same shareholder. The loan to the Company is non-interest bearing and due on demand.

Note 7: RECENTLY ISSUED ACCOUNTING STANDARDS

In January 2003, The Financial Accounting Standards Board ("FASB) issued FASB Interpretation No. 46, "*Consolidation of Variable Interest Entities*" (FIN 46"). This interpretation of Accounting Research Bulletin No. 51, requires companies to consolidate the operations of all variable interest entities ("VIE's") for which they are the primary beneficiary. The term "primary beneficiary" is defined as the entity that will absorb a majority of expected losses, receive a majority of the expected residual returns, or both. This interpretation was later

GlobalVest Group, Inc
Notes to Financial Statements
November 30, 2004

Note 7: RECENTLY ISSUED ACCOUNTING STANDARDS
(Continued)

revised by the issuance of Interpretation No. 46R ("FIN 46R"). The revision was issued to address certain implementation issues that had arisen since the issuance of the original interpretation and to provide companies with the ability to defer the adoption of FIN 46 to periods after March 15, 2004. The implementation of FIN No. 46 and FIN 46R, had no material impact on the Company's financial statements.

On July 16, 2004, the FASB ratified the Emerging Issues Task Force ("EITF") consensus on Issue 02-14, *"Whether the Equity Method of Accounting Applies When an Investor Does Not Have an Investment in Voting Stock of an Investee but Exercises Significant Influence through Other Means"* ("EITF 02-14"). The consensus concludes that an investor should apply the equity method of accounting when it can exercise significant influence over an entity through a means other than holding voting rights. The consensus is effective for reporting periods beginning after September 15, 2004. The adoption of EITF 02-14 did not have a material impact on the Company's financial statements.

In December 16, 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 123 (revised 2004), *"Share-Based Payment"* ("FASB 123R"), which addresses the accounting for employee stock options. FASB 123R requires that the cost of all employee stock options, as well as other equity-based compensation arrangements, be reflected in the financial statements based on the estimated fair value of the awards. Stock options are a valuable and important tool that have been used by many companies as a means to motivate employees and to promote business growth. The statement requires that the value of these arrangements be measured and recognized in the financial statements. FASB 123R becomes effective for reports filed after June 15, 2005. Early adoption of FASB 123R had no material effect on the Company's financial statements.

Note 8: COMPUTATION OF NET CAPITAL

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Net capital and aggregate indebtedness change day to day, but on November 30, 2004, the Company had net capital of \$142,584, which was \$42,584 in excess of its required net capital of \$100,000; and the Company's ratio of aggregate indebtedness (\$402,451) to net capital was 2.82 to 1, which is less than the 15 to 1 maximum ratio required of a Broker/Dealer.

GlobalVest Group, Inc
Notes to Financial Statements
November 30, 2004

Note 9: RECONCILIATION OF AUDITED NET CAPITAL TO UNAUDITED FOCUS

There was a \$13,340 difference between the computation of net capital under net capital Sec. Rule 15c3-1 and the corresponding unaudited focus part IIA.

Net capital per unaudited schedule		\$ 155,924
Adjustments:		
Accumulated deficit	\$ (1,908)	
Adjustments to net worth	784	
Non-allowable assets	6,967	
Haircuts and undue concentration	<u>(19,183)</u>	
Total adjustments		<u>(13,340)</u>
Net capital per audited statements		<u>\$ 142,584</u>

GlobalVest Group, Inc
Schedule I - Computation of Net Capital Requirements
Pursuant to Rule 15c3-1
As of November 30, 2004

Computation of net capital

Stockholders' equity

Common stock	\$	—	
Additional paid-in capital		194,530	
Accumulated deficit		<u>(3,147)</u>	
Total stockholders' equity			\$ 191,383

Adjustments to net worth

Net adjustments for hedges in-the-money	2,550	
Net adjustments for short options in-the-money	<u>(1,766)</u>	
Net adjustments to net worth		784

Less: Non-allowable assets

Computer software	<u>(30,400)</u>	
Total non-allowable assets		<u>(30,400)</u>

Tentative net Capital	161,767
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Haircuts and undue concentration

Haircuts on securities	(19,183)	
Undue concentration	<u>—</u>	
Total haircuts and undue concentration		<u>(19,183)</u>

Net capital	142,584
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Computation of net capital requirements

Minimum net capital requirements		
6 2/3 percent of net aggregate indebtedness	\$ 26,830	
Minimum dollar net capital required	\$ 100,000	
Net capital required (greater of above)		<u>100,000</u>

Excess net capital	<u>\$ 42,584</u>
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Percentage of aggregate indebtedness to net capital	2.82:1
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There was a \$13,340 difference in net capital computed above and that which was reported by the Company's unaudited Form X-17A-5 report dated November 30, 2004. See Note 9.

See independent auditor's report.

GlobalVest Group, Inc
Schedule II - Computation for Determination of Reserve
Requirements Pursuant to Rule 15c3-3
As of November 30, 2004

A computation of reserve requirement is not applicable to GlobalVest Group, Inc as the Company qualifies for exemption under Rule 15c3-3 (k)(2)(ii).

See independent auditor's report.

GlobalVest Group, Inc
Schedule III - Information Relating to Possession or Control
Requirements Under Rule 15c3-3
As of November 30, 2004

Information relating to possession or control requirements is not applicable to GlobalVest Group, Inc as the Company qualifies for exemption under Rule 15c3-3 (k)(2)(ii).

See independent auditor's report.

GlobalVest Group, Inc.
Supplementary Accountant's Report
on Internal Accounting Control
Report Pursuant to 17a-5
for the Year Ended November 30, 2004

KEVIN G. BREARD, C.P.A.
AN ACCOUNTANCY CORPORATION

Board of Directors
GlobalVest Group, Inc.

In planning and performing my audit of the financial statements and supplemental schedules of GlobalVest Group, Inc. (the Company), for the year ended November 30, 2004, I considered its internal control structure, for the purpose for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), I have made a study of the practices and procedures followed by GlobalVest Group, Inc. including tests of such practices and procedures that I considered relevant to objectives stated in rule 17a-5(g), in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities, I did not review the practices and procedures followed by the Company in any of the following:

1. Making the quarterly securities examinations, counts, verifications and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control structure and the practices and procedures referred to in the preceding paragraph in fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the proceeding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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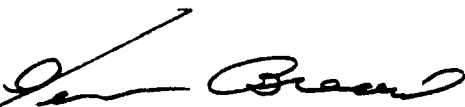
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Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, I noted no matters involving the internal control structure, including procedures for safeguarding securities, that I considered to be material weakness as defined above.

I understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purpose in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate material inadequacy for such purposes. Based on this understanding and on my study, I believe that the Company's practices and procedures were adequate at November 30, 2004 to meet the SEC's objectives.

This report is intended solely for the use of management, the SEC, and other regulatory agencies which rely on rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

A handwritten signature in black ink, appearing to read "Kevin G. Breard", with a long horizontal line extending to the left.

Kevin G. Breard
Certified Public Accountant

Northridge, California
January 12, 2005